FOREIGN AGRICULTURE

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Sampling seed grain, Canada

World Seed Issue

Plus articles on USSR Grain Marketing,

Taiwan, and Our Export Programs

UNITED STATES DEPARTMENT OF AGRICULTURE · FOREIGN AGRICULTURAL SERVICE

To report and interpret world agricultural developments

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World Seed Year

Three articles in this issue of *Foreign Agriculture* are concerned with seed, in recognition of the Food and Agriculture Organization's World Seed Year which starts this month.

Professor Hill in his article, *Seed and the World We Live In,* calls the organized growing and distribution of seed one of the newest agricultural industries, noting that it has taken mankind thousands of years to appreciate the vital place of improved seed in feeding and clothing the world.

Our own seed industry was one of the pioneers. The classic example of what can happen when science and agriculture get together is our famous hybrid corn. Almost unknown to the farmer in 1935, hybrid corn is now planted on 97 percent of the U.S. cornlands; and its use brings us an increased yield of at least 750 million bushels a year. This is an annual dividend of about $75 on each dollar originally spent on the hybrid corn program.

Such agricultural miracles do not occur often. But as FAO points out, one of the cheapest and most effective ways of producing more and better food is the extensive use of high-quality seed of superior and well-adapted crop varieties. To this end, FAO 3 years ago enlisted 69 member countries in a World Seed Campaign which reaches its culmination this year when the findings of these countries will be evaluated and shared. This is not the end, however, for the efforts to get broader use of better seed will continue, particularly in the underdeveloped countries where need is greatest.

Cover Photograph

Canadian seed official takes grain sample for inspection. This is one of numerous steps essential to producing and marketing high-quality seed. (See pp. 3-7; photo from Canadian Dept. Agr.).

Contents

3 Good Seed Doesn't Cost—It Pays

4 Seed and the World We Live In

7 U.S. Seed Exports—They May Reach a Peak This Year

8 Our Special Export Programs

9 Developing Markets Abroad for U.S. Livestock and Meat Products

11 Taiwan: Twelve Years of Rural Progress

14 World's Buying Power Sets Record, With Biggest Gains in U.S. Markets

15 Why the U.S. Poultry Industry Is Concerned About Its Overseas Markets

17 Rotterdam: A World Trade Center Supplies U.S. Poultry to Markets Around the Globe

18 How the Soviet Union Markets Grain

21 United States Is World's Second Largest Agricultural Importer

23 Trading Post

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Good Seed Doesn't Cost — IT PAYS

By J. J. de Jong, Coordinator
FAO World Seed Campaign

One of the striking facts of our atomic age is that, in spite of the spectacular achievements in all fields of science and technology, the attainment of reasonable levels of nutrition for the entire world population still seems to be a distant, if not a receding, prospect. Millions of people in the economically underdeveloped countries of Asia, Africa, and Latin America suffer from hunger and malnutrition throughout their lives, mostly as close and constant companions of poverty. This challenge becomes even more urgent when one realizes that the world population is growing at the rate of about 140,000 persons a day and is expected to double by the end of the century.

It is the belief of the United Nations Food and Agriculture Organization (FAO) that farmers everywhere can produce sufficient food for everyone by full exploitation of natural resources, by the adoption of improved cultivation techniques, and by the widespread use of modern facilities and equipment. FAO also holds that one of the cheapest and most effective means of producing more and better food is the extensive use of high-quality seed of superior and well-adapted crop and tree varieties.

The important role of better seed of improved varieties in the agricultural development of many countries has been clearly shown over the past 50 years. But better seed should be used by every farmer in the world, however diverse his circumstances should be. He should become more aware that all his efforts to follow improved cultivation practices will be in vain if the seed he is sowing is of inferior quality, of low-yielding varieties, or is poor in other respects. He should know that the application of fertilizers is rather futile if the variety grown is susceptible to disease.

Seed Campaign. To focus attention on seed as a way to better crops, FAO launched the World Seed Campaign in 1957, urging all member countries to intensify their seed programs, or initiate new plans for seed improvement. The response to this campaign has been most encouraging. At present, 69 FAO member countries are participating in the project, carrying out effective and far-reaching national programs, each according to its own needs and facilities.

The first item which has been covered in the action programs of most of the less-developed countries is the introduction and breeding of improved varieties, supplemented by varietal research. Participating countries are also attempting to provide adequate facilities for seed multiplication of improved varieties. With such facilities it will be possible to make sufficient quantities of high-quality seed available to farmers at reasonable prices.

The FAO World Seed Campaign has provided an excellent opportunity for the more-developed countries to make available their accumulated knowledge and experience to less-developed regions of the world. Many governments have already offered training facilities, experts, and fellowships, through the United Nations' Expanded Technical Assistance Program, the Colombo Plan, or on a direct nation-to-nation basis. Several international, regional, and national organizations have also been actively associated with the campaign, supplying technical equipment, audio-visual aids, and publications.

World Seed Year. This concerted action will reach its culmination this year, which has been designated as the "World Seed Year." During the next 12 months, all participating countries will strengthen their efforts in making the campaign a real success—the less-advanced countries by carrying out all kinds of technical and educational activities necessary to improve their national seed industries, the advanced countries by implementing their technical assistance programs, including the organization of six different training courses in seed improvement and related matters for groups of trainees from all parts of the world.

In addition to the *World Seed Campaign News*, which will continue to be issued throughout the year, FAO will publish a study on "Agricultural and Horticultural Seeds," as well as a World Seed Year edition of the Forest Seed Directory. At the FAO Conference to be held in Rome in November, the accomplishments of member countries during the campaign will be summarized and evaluated.

It is obvious, however, that the whole program is of a long-term nature, particularly in the underdeveloped countries, and therefore the technical activities initiated under this campaign will be continued as part of FAO's wider attack on hunger and malnutrition, the Freedom-from-Hunger Campaign launched last July.

Seed and the World We Live In

By D. D. Hill, Emeritus Professor of Agronomy
Oregon State College

Harvesting orchardgrass seeds at National Livestock Breeding Station, Hokkaido. A leading agricultural country, Japan has long had a comprehensive seed program.

Broadly speaking, all plants come from seed, without which we would have no agriculture at all, and yet the organized growing and distribution of seed is perhaps the newest of our agricultural industries. It is strange indeed that, despite the ancient biblical injunction that, "As ye sow so shall ye reap," it has taken mankind thousands of years to appreciate the vital place that seed has in a hungry world. The International Seed Year is recognition of the fact that improved seed is the keystone in the building of a modern and a productive agriculture. It is appropriate that so many nations around the globe should participate and that these give recognition to the vital importance of seed.

What is this commodity that is causing nations around the world to focus attention on it in 1961? No mere botanical definition will suffice. In the United States the Oregon Seed Growers have a slogan that a "seed is a small plant packaged for shipment," but this tells only part of the story. Possibly the best way is to compare seed to other agricultural commodities. In every other commodity the principal concern is with its composition, the amount of starch, protein, fat, flavor, sugar, fiber, mineral elements, chemical formula, etc. With seed, all of these are of secondary importance. Our first concern is whether it will grow or not and the second, whether it will produce the kind of a plant we want.

The seed is the carrier of the heredity, and it is the means whereby the dormant plant of today becomes the growing and ripening one of tomorrow. If the seed does not contain the vital spark of life, it simply has no value as seed; and if it does not carry the proper heredity, its value is greatly reduced. Application of these two basic concepts is an important distinguishing feature between modern agriculture and that found in underdeveloped countries.

A Seed Program. A good seed program offers perhaps the best and the quickest way to upgrade the agriculture of any country. There are good reasons for this. It is simple to demonstrate the value of improved seed. Major yield increases, sometimes as much as 100 percent, result from its use. These are differences which even the simplest peasant can see and understand.

Probably even more important is the fact that the use of improved seed makes the introduction of other improved practices much easier. This is only human nature. A man who has obtained an expensive breeding animal will protect it more than the scrub animals of little value. A grower who has managed to obtain improved seed of a new variety will very likely put it on good soil, fertilize and water it carefully, and protect it against diseases and other pests as best he can. He finds that improved seed responds to these better practices much more than the unimproved seed he has had previously. Unconsciously, he is practicing better husbandry.

A good seed program also involves most of the agencies that are concerned with an improved agriculture. There are a number of components, each of which may be likened to the links in a chain. And like a chain, if one of the links is weak, the chain is weak also. Some of these links are common to all agriculture; others are peculiarly related to seed.

A good research program is essential to a sound and productive agriculture. Through plant breeding, research produces new varieties that are more productive, that are resistant to the many pests to which a crop is subject, and that have the qualities desired. It develops the cultural methods, the knowledge of nutrient and water needs of a crop, pest control, and utilization. But, for many crops the production of seed requires entirely different cultural methods than those required for common usage. Seed of forage crops, for example, cannot be produced by those methods that are used for forage production. The same is true for most vegetable crops. The problems of cleaning and quality testing also require a research

Taking a check sample from a seed lot ready for delivery. In the underdeveloped countries technical aid programs have made farmers aware of need for good seed.

Courtesy FAO

FAO agronomist, left, and manager of research station in Libya inspect plot of improved strain of bulrush millet.

program that is geared to seed.

The actual production of high-quality seed requires careful planning. Certain seed crops can be grown only under specific environmental conditions. Cultural methods may vary widely from those used for other crops as well as among different seed crops, and special implements are often needed. Production of many improved seed crops requires isolation from other fields of the same kind, and weeds and mixtures need to be controlled. In short, the seed grower needs to be more skillful in his farming operations than most farmers have to be, and he needs to know the factors that make for good seed.

Once the seed is produced it is necessary to have processing facilities. While it is true that the quality of an individual seed cannot be improved after it leaves the farm, it is also true that seed in mass can be improved a great deal by adequate processing. Good cleaning methods can remove many of the mixtures and weeds, and much of the foreign material. Many kinds of seeds are treated for the control of seed-borne diseases. Processing is a specialized branch of the seed industry, without which it is impossible to produce high-quality seed. In many countries the seed processor also plays a most important role in the distribution of seed. This is an important link in the chain.

Certification is the means by which the genetic purity of a lot of seed is maintained. It is often mistakenly assumed that a certification program is a seed program in its entirety, but nothing could be farther from the truth. Important as certification is, it is only one of the links in the chain, albeit a most important one. In order to develop a good certification program it is also necessary to develop certain basic concepts, such as the integrity of certification and of the people who carry on the program. It is well to have the basic policies of certification established and enforced by a representative body on which the interested agencies are represented. These might include research, extension, government, producers, processors, credit agencies, and others.

Seed Control. As the seed industry develops it becomes necessary to work out certain rules for the protection of the public and the legitimate seed trade. Planting value of seed is impossible for the novice to determine, so there is opportunity for the unethical or the unscrupulous to take advantage of the unwise. Thus in modern agriculture regulatory methods become necessary.

Basically, seed control requires that seed be labeled accurately as to its purity, germination, and variety. When seed traffic was largely from farm to farm this need was not so apparent, as growers could see the field from which the seed came, but subsequent seed surveys indicate that such seed is generally inferior. When seed is produced in favored environmental areas, as much of it now is, and often at a considerable distance from the point of ultimate use, seed control methods are imperative. Besides protecting the buyer, control methods often prevent the dissemination of noxious weeds, for there are innumerable instances where the establishment of a serious weed pest has been traced to its introduction in a lot of seed.

Seed quality is determined in a seed-testing laboratory. Certain techniques have been developed for the determination of seed quality, and re-

Canadian technician analyzes barley seed for genetic purity before the lot is placed on the market.

Photos courtesy Canadian Dept. Agr.

Same young Canadian tests seed for germination. However, important as seed certification is, it is only one of the links in the chain of a good program.

search is constantly improving on these methods. Certain skills, training, and equipment are required to do this job properly. Seed laboratories are often public agencies, but where the seed industry is well developed, almost every large seed house has its own laboratory so that the quality of the seed may be controlled more accurately. Certainly, a good seed-testing program is essential for the commercial movement of seed as well as for a seed control program.

The final link in the seed chain is one of education. Until the man on the farm is aware of improved seed and its value, until he is willing to pay the extra price to obtain such seed, no seed program can be said to be successful. There is little point in research, or in the production and processing of large lots of good seed, unless it is used. Attention, therefore, must be given to the means of disseminating information about good seed so that growers will want and can obtain adequate supplies of the improved varieties and will follow the improved practices that go with them.

All of these activities require planning and coordination if the program is to be successful. Many agencies are required for a good program and their activities must be integrated. In those countries of the world where the seed program has been the most successful, we find that a team approach to the seed problems has been the one that has been used. And it is in these countries where modern agriculture has been the most productive.

What Has Been Done. In the last 50 years the greatest efficiency of agricultural production has been reached in Western Europe, Canada, the United States, and possibly Japan. It is more than coincidence that these countries have developed comprehensive seed programs. In the underdeveloped countries it is a different story. Good seed was given scant attention until recent years, when the agencies involved with technical development programs in these countries have made the production and use of adequate supplies of seed of adapted varieties one of their major objectives.

The International Cooperation Administration (ICA) has sponsored a series of international seed meetings. There have been two in the Far East—Formosa in 1956 and Japan in 1959; two in South America—Chile in 1958 and Peru in 1959; and one in the Middle East—Turkey in 1959. At these meetings the country delegates have been made aware, often for the first time, of the ramifications of a seed program and the possibilities inherent in it. And almost without exception the countries that have participated have been able to start certain phases of a seed program of their own.

The Rockefeller Foundation has assisted in many ways too. Often, as in Latin America, the major help has been through plant breeding, and sometimes it has been through supplying equipment, as for seed testing. Currently, in India the Foundation is providing the leadership in a cooperative endeavor with other agencies to develop a comprehensive improved seed program. The Ford Foundation is a somewhat more recent participant in the international aid programs, but in its large-scale demonstration areas, the use of good seed is a most important consideration.

Furthermore, in preparation for the International Seed Year many countries have formed special committees and seed organizations. Participants are taking stock of what their country's program is, if any, and are carrying out certain phases that they can get underway.

Thus, at the start of International Seed Year, nations all over the world are focusing on the many ways in which seed enters into agricultural improvement. And at long last there is beginning to be an appreciation of the very fundamental role of good seed, for without good seed there cannot be good crops, and without good crops many people go hungry.

U.S. Seed Exports

—they may reach a peak this year

By Horace G. Bolster
Grain and Feed Division
Foreign Agricultural Service

With the designation of 1961 as World Seed Year, it is appropriate to review the part played by the seed industry of the United States in providing high-quality seed for improving world agriculture.

The United States is one of the world's largest producers of high-quality seed. It is also one of the largest exporters, but our exports vary widely from year to year depending on market conditions here and abroad. During the last 10 years, for example, our seed exports have ranged from a low of 23.8 million pounds to a high of 110.8 million pounds.

American seed can compete in the world market on a basis of quality and price because of a unique combination of climate, know-how, and the use of highly specialized mechanical equipment. In many areas of the United States, specialized seed production is a major enterprise, and this makes possible the use of costly mechanical equipment to an extent found nowhere else in the world.

Our exports include grass, legume, vegetable, beet, corn, and other field seeds. Of these, grass and legume seeds are the most important, accounting for about 60 percent of the total volume. In the 1959-60 crop year we shipped grass and legume seeds to 56 foreign countries, our exports totaling 46.2 million pounds. This was second only to the record-breaking year 1954-55 when just under 50 million pounds were shipped abroad.

Customers and Competitors. Europe is our best customer for grass and legume seed. About 60 percent of the 1959-60 exports went to that area. Latin America and Southeast Asia, including Australia and New Zealand, are relatively small markets for U.S. seed but they are growing in importance. As for individual countries, Canada was our largest customer, followed by France, Italy, and the Netherlands, in that order.

These countries are also our competitors for certain kinds of seeds. Canada, for instance, is an important producer and exporter of timothy, clover, and bluegrass seed. The Netherlands produces a wide variety of grass seeds and is a large exporter of Kentucky bluegrass, ryegrass, and fescue seed. Alfalfa as well as various kinds of clover and trefoil seeds are supplied by France and Italy.

Other countries which are important competitors are Denmark and Hungary. Denmark, like Holland, produces many kinds of grass seeds for export. Of these, Danish ryegrass and orchardgrass are perhaps the best known and widely used in Europe. Hungarian alfalfa seed varieties have been gaining favor in Europe on the basis of price and performance; however, the supply of Hungarian seed fluctuates widely from year to year.

Western Germany has long been one of our best markets for forage crop seeds, but in 1959-60 it dropped to sixth place. In the German market, our seeds face competition from other areas. Also, varieties of forage-crop seeds better adapted to German soil and climatic conditions are available.

Alfalfa is our largest single seed export item. Over 9 million pounds of certified and uncertified alfalfa seed were shipped abroad to 29 countries last year, with Canada, Mexico, Italy, and Poland the principal markets. U.S. alfalfa seed exports, however, have declined sharply in recent years as production increased in areas close to large consuming countries, such as Germany. New varieties of alfalfa have also been developed which are preferred to American varieties. Some of these strains are now being produced for export in California, and this should help reverse the downward trend in exports.

The superior quality of alfalfa seed produced in the United States is widely recognized. Field trials conducted in Germany show that seed of German varieties of alfalfa produced in California gave better stands of more vigorous plants than did seed of the same varieties produced in Germany. U.S. seedsmen are also propagating other kinds of seeds from European breeder stock.

Record Year Possible. With regard to the current situation, it now appears that U.S. exports of grass and legume seeds in 1960-61 will be above those of last year and may set a new record. Preliminary information on this year's seed production and carryover in the principal seed-producing countries outside the Western Hemisphere indicates that supplies of most kinds of seeds will be considerably below normal. Canada and the United States, however, have harvested good crops which have already been moving into export channels in large volume. U.S. grass and legume seed exports during July-October 1960 totaled 12.3 million pounds compared with 8.3 million pounds for the same period in 1959. Larger exports of red clover and ryegrass are believed to account for this increase.

With private organizations and government agencies in over 70 countries focusing their efforts on the use of improved varieties of high-quality seed, it is expected that there will be a gradual increase in international trade. The United States has made a considerable contribution to this effort by providing samples for testing in all parts of the world. This has been done primarily in an effort to expand the market for U.S. seeds, but any increase in the use of better-quality seeds will benefit both the seed industry and world agriculture.

Furthermore, the U.S. seed industry and the Foreign Agricultural Service have cooperated in sending several "seed teams" abroad to study opportunities for expanding foreign markets and to recommend steps necessary in building a more effective seed marketing program. Representatives of the German seed trade, research workers, and government officials were brought to this country under a cooperative project to see U.S. methods of producing, handling, and marketing quality seed. These pioneering efforts have already demonstrated their value through increased marketings.

Our Special Export Programs

Speaking at USDA'S Annual Outlook Conference last November, RAYMOND A. IOANES, Deputy Administrator, FAS, described the policies that are followed in administering these programs and indicated ways they could be made more effective. Excerpts of his talk follow.

Every decade of American history has been marked by at least one outstanding achievement in the field of agriculture—invention of a machine, development of a hybrid plant, initiation of a program—which has stimulated progress. The decade of the 1950's was no exception. Among other accomplishments of that period was evolution of an agricultural export policy geared not only to markets in cash-paying nations of the world but also to the needs of the underdeveloped countries. This broadened policy has meant greatly expanded export markets for American farmers. In the fiscal year 1960 the volume of agricultural shipments set a new record —and exports in fiscal 1961 are also expected to be high.

The overall drive to expand exports has many parts. Of these, the special export programs authorized by Public Law 480 and the Mutual Security Act have been particularly important. These programs, which include foreign currency sales, donations, barter, and long-term credit, have made it possible to channel substantial quantities of U.S. food and fiber to needy peoples abroad, particularly in the underdeveloped countries.

During the past 6 years these special U.S. export programs have resulted in the shipment of one-third of the value of total U.S. agricultural exports. The most important commodity exports have been—

Wheat, 1.7 billion bushels or 75 percent of total exports; *rice,* 54.2 million cwt. or 59 percent of total exports; *vegetable oils,* 3.85 billion pounds or 57 percent of total exports; *feed grains,* 17 million tons or 36 percent of total exports; *cotton,* 10.6 million bales, also 36 percent.

In administering the special export programs certain policies are followed, and the most important ones are:

Underdeveloped Countries. Programing emphasis is placed on the movement of commodities to underdeveloped countries. These are the areas with limited ability to make commercial purchases because of foreign exchange problems, and with the largest potential for increased consumption. By this I mean in total as much as I mean per capita, for in many areas the battle is to be as well fed as before, not better fed.

In vegetable oil programing to Spain, we have seen a steady growth in a previously static consumption level of 25 pounds per year per person to 39 pounds last year (1959). In India our commodities have been used largely to meet physical needs arising from a population increase of 2 percent per year and consumption increases resulting from development programs already underway.

We often hear it said that our commodities are ruining markets for domestic producers in recipient countries. It is our experience that the governments of underdeveloped countries are more anxious than anyone else not to let this happen. In India, the largest participating country, the price index for cereals has risen 37 percent in the last 5 years, all commodities 26 percent, manufactures 12 percent, and industrial raw materials 25 percent. This doesn't sound like much of a disincentive to cereal producers in India.

Trade Safeguards. Protection of established commercial trade is another important objective. In addition to careful statistical analysis and painstaking government-wide review, specific usual marketing commitments are included in agreements when appropriate. These provide for usual commercial purchases from the United States, purchases from Free World sources, or a combination of these requirements. There is also advance consultation with friendly exporters regarding program development.

During the more than 5 decades from 1900 to 1954, world trade in wheat rose less than 400 million bushels. From 1954 through 1960, another 300 million to 400 million bushels has been added to the world trade total. Of this increase about two-thirds has been supplied by the United States and one-third by other exporting countries. In 1960-61 the world wheat trade will be at the all-time record level of about 1.4 billion bushels. Yet, with respect to stocks, the United States since 1954 has been the only one of the big five exporting countries which has added to stocks. Carryover stocks in Canada, Argentina, Australia, and France were all lower at the beginning of the current marketing year than on July 1, 1954. With respect to price, world trade prices for wheat have been remarkably stable since 1954. Canadian prices, which are the base point in the International Wheat Agreement, averaged $1.66 per bushel during the first half of 1960, only 4 percent less than in 1954. There is nothing to suggest that other exporting countries have had serious difficulty in moving their currently exportable supplies.

Private Trade Channels. The use of private trade channels and the observance of customary trade practices are emphasized. Sales made under the Title I program are identical with those made in usual commercial trade transactions and involve a minimum of controls because of the use of U.S. Government funds to finance purchases. We believe that use of commercial trade channels on both sides of the water provides the best opportunity for the large-scale movement of commodities with a minimum of misuse. This practice maintains and expands trade and marketing relationships, and takes advantage of commercial "know-how."

Multi-Year Agreements. More wheat flour, cotton and cotton waste,

(Continued on page 22)

James Lankford, left, U.S. assistant agricultural attaché in Colombia, and Diaz Ulderico, an economist, inspect a shipment of 750 U.S. purebred sheep in Bogota.

Developing Markets Abroad

for U.S. livestock and meat products

By Dalton L. Wilson
Livestock and Meat Products
Foreign Agricultural Service

U.S. agricultural exports for this past fiscal year totaled $4.5 billion, second largest in history, and of these, livestock and meat products accounted for $355 million, most of which can be attributed to dollar sales.

In terms of value, 82 percent of the livestock products exported in fiscal 1960 consisted of byproducts: Tallow and grease 35 percent, lard 17 percent, hides and skins 19 percent, mohair 5 percent, and variety meat 6 percent. The remainder were meat products and live animals.

Effective utilization and marketing of these byproducts have always concerned livestock producers. But in recent years, increased production and either stable or reduced domestic utilization of certain products, i.e., tallow, lard, hides and skins, have forced us to seek outlets abroad. In the 12-year period, 1947-59, our exports of tallow increased from 3 percent of production to 45 percent; and in the past fiscal year, 22 percent of our lard output was exported, 10 percent of our variety meats, and 18 percent of our hides and skins.

These shifts in the marketing pattern—from domestic to foreign markets—have created numerous transitional problems for both the U.S. industry and the Foreign Agricultural Service. The latter, in cooperation with U.S. industry groups, has initiated market development programs to stimulate demand for U.S. agricultural commodities in foreign countries. These projects, using foreign currencies generated from the sales of U.S. commodities to these countries under Title I, Public Law 480, are conducted with the assistance of U.S. industry associations, local trade groups in the foreign countries, and our agricultural attachés located throughout the world. Since 1955 approximately 370 government-industry projects have been carried out in 40 countries. We have also participated in 50 trade fairs, with a total attendance of 25 million.

The projects take different forms, depending on the product to be promoted and the country where the promotion is to take place. There are several types that have proved effective and these are described here.

Market Studies. The purpose of this type of project is to study both the existing and the potential markets for our products. The studies are usually made by an FAS marketing specialist and representatives from U.S. industry, and the information gained is then utilized in designing effective marketing programs.

Technical Study Teams. Study teams are sent to various countries to evaluate specific complaints. Also, the exchange of technical teams with other countries has been effective in resolving some problems. However, U.S. industry groups need to continue to work on these problems if our important dollar markets are to be maintained and expanded.

Promotional Campaigns. Beginning in 1957, FAS, in cooperation with the National Renderers Association and the All Japan Soap Association, has conducted an extensive soap promotional campaign in Japan. There have been widespread showings of a film entitled "Soap and Children." Other promotional material has included posters, color slides, booklets, songs, and a demonstration bus. Radio, television, newspapers, and magazines are also used to promote soap. This program has been highly successful, for U.S. tallow exports to Japan have increased nearly 70 percent.

A leather promotional program in Japan—our leading export market for hides and skins—was begun recently, with the cooperation of the National Hide Association, the Western States Meat Packers Association, and the Japanese leather industry.

A soap promotional program similar to the one in Japan, but not so extensive, will begin soon in Colombia. The cooperators in this program are the National Renderers Association and the National Association of Colombian Soap Manufacturers.

Trade Fairs. The FAS Livestock Division has also promoted meat and meat products at international trade fairs in London, Cologne, and Osaka. Last fall, with cooperation of the American Meat Institute, we had a

display at the London Food Fair featuring U.S. canned goods and prepared meats and lard. Two home economists held two cooking demonstrations an hour using U.S. lard.

Livestock Teams. Livestock buying projects consist of bringing 3-to-5-member teams to the United States, where our breed associations arrange for them to see the types of animals they are most interested in buying. In many instances, field representatives of the different livestock breed associations accompany the team and help obtain inspection certificates, registration papers, pedigreed records, and so forth. They also coordinate the assembling and shipping of the stock.

Two years ago a 3-member team from Chile purchased about 90 head of livestock including dairy cattle, sheep, hogs, and goats. In July of last year a 2-member team from Colombia purchased 750 head of purebred sheep and 9 head of cattle, and in September a followup team purchased an additional 250 head of purebred sheep. A beef cattle team from Ecuador is scheduled to visit the United States soon to buy about $100,000 worth of beef cattle; also, a team is coming from Ecuador which is expected to buy about 450 sheep.

U.S. Livestock Judges. U.S. livestock marketing specialists and livestock judges participate in Latin American livestock expositions. In addition, they consult with livestock producers concerning the improvement of their stock. They point out U.S. breed characteristics and indicate means of improving herds, with emphasis on the advantages of U.S. breeds in such a program. So far, U.S. judges have participated in 10 fairs in Latin America.

Reducing Trade Barriers. In the past year some of our marketing development programs have been instrumental in reducing or eliminating trade barriers for our products in several foreign countries. Our continued participation in livestock expositions in Colombia and discussions with representatives of the livestock industry and governmental officials encouraged the Colombian officials to remove the ban on the importation of breeding livestock. Last year Colombia also reduced the import duties on breeding cattle and lowered the prior deposit requirement from 130 percent to 20 percent—changes which made it possible for the United States to export nearly 1,000 head of purebred sheep to Colombia last fall.

Our market promotion program for soap in Japan helped us get favorable consideration for our tallow exports to Japan. In April of this year Japan placed the United States on the Automatic Approval List for tallow and this improved our competitive position with Australia and New Zealand. Furthermore, our market development projects with the Japanese leather industry influenced the decision of the Japanese officials to place U.S. hides and skins on the Automatic Approval List last July.

We have also been successful in developing special certifications whereby our products are allowed to enter foreign countries. For example, a special certificate was worked out to accompany shipments of our hogs to Venezuela.

Many restrictions remain, but the U.S. Department of Agriculture is working closely with other agencies of our government and with foreign governments to get these restrictions reduced or eliminated. We utilize every opportunity, from formal diplomatic representations and participation in international meetings to informal personal contacts, to press vigorously for fair competitive access to foreign markets. Among the more pressing problem areas that still exist are the following:

Common Market. At present we are concerned about the impact of the proposed livestock and meat policy of the European Economic Community (Common Market) on our exports of these products; and in September and October of last year a representative from the Livestock Division visited each of the Common Market countries to appraise the situation.

Production of livestock products and competition from other products are increasing in practically all EEC countries, where the trend is toward self-sufficiency. There seems to be strong disagreement among EEC countries as to the establishment of a common agricultural policy for livestock and meat products, but if the proposed policy goes into effect U.S. exports of lard and beef variety meat would be the most seriously affected. Our trade in tallow, hides and skins, and pork livers is not expected to be seriously hurt, at least not in the near future.

Hog Cholera. Nearly all countries now banning our pork on sanitation grounds firmly believe that unless hog cholera is eliminated in the United States, relaxation of their import regulations would injure the health of their own animals.

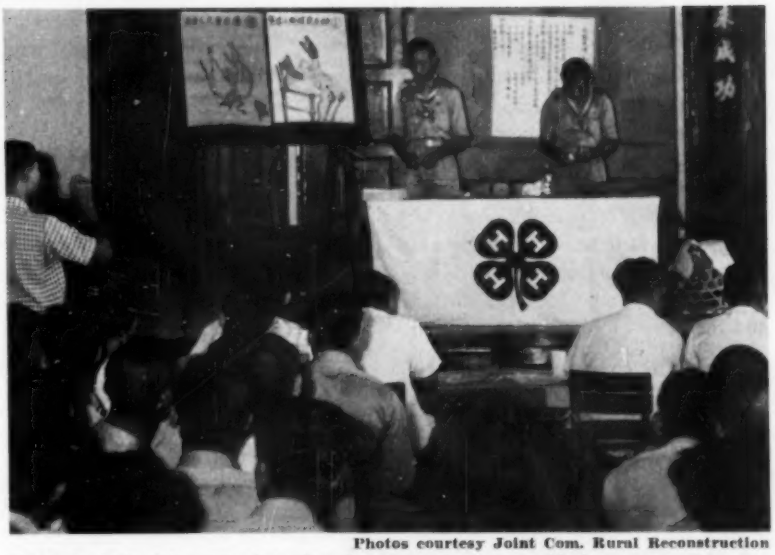
In recent years the United States has made a great deal of progress in the eradication of hog cholera, largely because individual States have passed laws prohibiting the use of virulent hog cholera virus in immunizing hogs against the disease. At present 32 of the 50 States prohibit the use of virulent hog cholera virus. The United Kingdom now permits the entry of U.S. pork variety meats from such States upon certification that the hogs were raised and slaughtered there. But while it is possible to obtain the type of certification required by Britain, the verification is so expensive that it is improbable that any exporter will request the Department of Agriculture to issue this certificate.

Currently the United States is exporting only about 70 million pounds of pork per year. We believe that this 70-million-pound export figure could be increased substantially if hog cholera were eradicated. Certainly we could obtain a larger share of the United Kingdom's billion-pound-a-year pork and variety meat market if we came up with a more favorable hog cholera position.

Cuban Market. The Cuban situation could result in the loss of our second most important lard export market. In 1959, 217 million pounds, or 36 percent of our total lard exports, went to Cuba. During the first 8 months of last year lard exports to Cuba held up fairly well, for they were down only 4 percent for the comparable period of the previous year. On the other hand, our tallow exports to Cuba during the same period were 32 percent smaller than they were in 1959.

Taiwan: Twelve Years of Rural Progress

By Lester R. Brown
Far East Analysis Branch
Foreign Agricultural Service



Photos courtesy Joint Com. Rural Reconstruction

Taiwan's 4-H club movement, though only a few years old, has won active support. Here, two members display a new technique and answer questions on it.

Ten years ago, the already densely populated island of Taiwan was faced with the prospect of feeding the recently arrived 1.5 million civilian and military personnel evacuated from the Communist-occupied China Mainland. In addition, the rate of natural increase, which is 3 to 3.5 percent annually—one of the highest anywhere—was severely taxing the island's agricultural resources. At this juncture, the prospects for agricultural self-sufficiency were not promising.

Today, Taiwan's farmers are not only supplying the needed food but are producing enough for an expanding volume of exports. From 1953 to 1959, agricultural production increased about 5 percent per year. The island's farmers are now supporting 5 people on 1 acre of farmland, a feat emulated only by the farmers of Japan.

The increased availability of food for domestic consumption has made the Taiwanese populace, with a per capita daily intake of 2,340 calories, one of the best fed in the Far East.

The Taiwanese economy, generally lacking the capital, natural resources, and level of technology necessary for the development of heavy industry, is based on agriculture and its associated processing industries. Many of Taiwan's agricultural commodities require processing before consumption. Rice, the staple food, must be milled; sugar, the principal export item, needs extraction and refining.

Exports Expanding. The upward trend in agricultural exports attests to the island's rapidly rising levels of productivity. In 1959, exports of sugar, which have traditionally accounted for one-half or more of annual foreign exchange earnings, were 30 percent above the 1950-55 level. Although consumption demands on the domestic rice supply have expanded apace with population, an intensive program designed to increase rice production has made possible a 1959 export volume double that of the 1950-55 period. The 1959 level of canned pineapple exports, currently the third-ranking export commodity, was four-fold greater than in the 1950-55 period. Similar comparisons for two other major exports, tea and bananas, reveal rises of 43 and 80 percent.

Formula for Success. Perhaps the key to this agricultural success story lies in the attitude and approach of the farmers. Taiwanese farmers are not so tradition-bound as their rural counterparts in other underdeveloped countries; they are more receptive to new ideas and techniques.

Another requisite for success was the farmers' realization that they could make production gains only through efficient use of the resources they already had. Land was scarce from the beginning, and any major efforts to expand the cultivated area greatly were impractical if not impossible. Production capital, though not so scarce as land, was in short supply and was needed for short-term investment—mostly fertilizer and improved seed. Only labor was plentiful; hence, many of the production-increasing measures have been based on the liberal application of labor. Also, the small fragmented fields and the high proportion of irrigated land have limited the mechanization of field operations.

Irrigation. Farmers frequently grow two crops of rice and one or more crops of vegetables on the same land during the year. Temperatures favor year-round crop production, but the water supply is often inadequate. To overcome this, Taiwanese farmers have pioneered in the use of a new method of rice irrigating known as "rotational" or "intermittent" irrigation. They flood their fields periodically but do not keep them under water throughout the growing season. This permits the production of more crops per year and an increase in the irrigated acreage. It takes more labor than the continuous-flooding method, but this is more than offset by the increase of 60,000 metric tons expected in annual rice production by the end of the current 4-year plan.

Fertilizer Use. The increase in the number of crops per year is in part responsible for the accelerated consumption of fertilizer on the island. Chemical fertilizer consumption was 129,000 metric tons in 1948 and 740,000 in 1958 (containing 118,000 tons of nitrogen, 35,300 of phosphoric

acid, and 28,500 of potash). Nearly three-fourths of the fertilizer is applied to paddy land and much of the remainder to sugar, the big foreign exchange earner.

The development of an effective distribution system, administered by the government, is also responsible for the rising fertilizer consumption. For rice land, fertilizer is distributed on a barter basis—a bag of ammonium sulfate for a bag of rice; and for other crops, on a cash basis. Local demonstration plots, numbering several hundred, teach farmers both the method and the value of fertilizer application.

Seed Improvement. Successful efforts at developing faster growing, earlier maturing varieties have enabled farmers to increase the number of crops grown per year. A good part of the plant-breeding experiments involve rice, which is not only the most important food but a key crop in most rotational systems.

Some 500 crop varieties of foreign origin have been imported for testing under local conditions. One of the more successful has been the Sanchuo soybean, a variety originating in Japan. Facilitating the distribution of improved varieties is an expanded network of seed multiplication farms, which work in collaboration with local Farmers' Associations.

U.S. Cooperation. The Chinese and American Joint Commission for Rural Reconstruction, a uniquely successful approach to cooperative economic development, has been instrumental in the attainment of the higher production levels. The jointly staffed and jointly financed commission, with 5 members—3 Chinese and 2 Americans—conducts its projects through existing agencies. The Commission provides two types of assistance—technical and financial. A pool of technicians, both Chinese and American, are on hand to advise and organize projects to be carried out by the approved agencies. Financial aid is provided only when needed to supplement inadequate provincial or local sources. The Commission, established on the mainland in 1948, moved to Taiwan when the Communists gained control.

In addition to technical assistance, the United States has provided capital for economic development projects in both the private and public sectors. Substantial U.S. assistance has also been provided through sales of agricultural commodities for local currency. These sales, consisting largely of wheat and flour, have amounted to about $40 million since Public Law 480 was enacted in 1954. A portion of the local currency accruing from these sales has been made available for economic development purposes.

Farmers' Associations. Cooperative associations have enabled the Taiwanese farmers, with characteristically small individual holdings, to pool their efforts and resources. Nearly all the farm families on the island are represented in the membership of the farmer cooperatives, known locally as Farmers' Associations. These cooperatives process and market agricultural commodities, purchase and distribute farm supplies, provide credit, and organize rural improvement projects.

The nationally federated system of cooperatives, the Provincial Farmers' Association, also provides the institutional support for the Agricultural Extension Service.

Land Reform. Eighty-four percent of Taiwan's agricultural land is now owner-operated. Before the land reform program began in 1949, less than half of the land was owner-operated. Tenants, formerly faced with a scarcity of land and general insecurity of tenure, frequently paid exorbitant rental rates amounting to half or more of the crop.

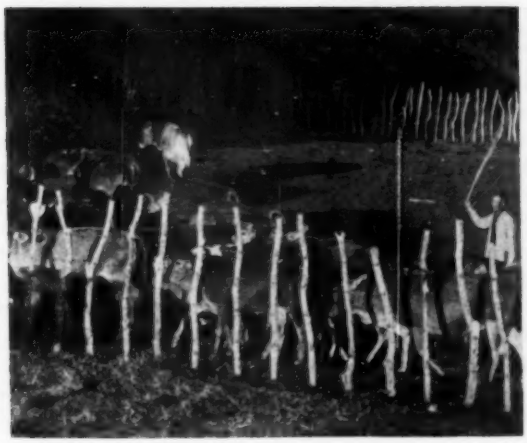
Land reform was accomplished through a national land redistribution program. Large holdings were purchased by the government and then reapportioned and sold to landless farmers under convenient long-term purchase plans.

With the advent of land ownership, farmers were able to spend more of their income on fertilizer, improved seeds, and other production-increasing measures. Land reform has caused farmers to identify themselves more closely with the land and thus has heightened their interest in its care and development. Land reform has also assisted in the development of Taiwan's chief resource—its people.

Above, farmer operates irrigation system. Top, a rice field is hand-weeded and fertilized. Efficient use of water, manpower, and fertilizer has boosted yields.

Farmers, top, are using hand-sprayers and insecticide (both of local make) to treat their citrus orchard. Rice breeder, at right, is examining improved seed to be sent to farms.

Left, husky hogs are weighed for export to Asian markets; below left, hybrid cattle, destined to improve local herds; below right, a discussion of land reform.



World's Buying Power Sets Record, With Biggest Gains in U.S. Markets

As 1960 ended, the world as a whole was better able to pay for the products of U.S. farms than at any time in modern history. Foreign countries' external buying power—as reflected in their holdings of gold, dollars, and other convertible currencies—reached a record during the year.

The dramatic improvement that has taken place over the past decade in the foreign exchange situation is illustrated by the steep rise in foreign gold and dollar assets from just under $20 billion at the end of 1950 to almost $40 billion at the end of 1960. (Holdings of international institutions and Soviet Bloc countries are not included in these figures.) Although the statistics as of December 31, 1960, are not yet complete, it is evident from the first three quarters of last year that the aggregate will be in the neighborhood of $39.5 billion.

The financial improvement has of course been uneven. Many countries—particularly the underdeveloped lands of Asia, the Middle East, and Latin America—remain in straitened circumstances, forced to ration or otherwise restrict their slim exchange reserves. The lion's share of the gains has gone to the more developed industrialized countries—Japan, the English-speaking British Commonwealth, and Western Europe; together they have accounted for 88 percent of the increase.

FOREIGN COUNTRIES' GOLD AND DOLLAR ASSETS

	Dec. 31, 1950 *Bil. dol.*	*Dec. 31, 1959* *Bil. dol.*	*June 30, 1960* *Bil. dol.*
Industrialized countries	12.7	27.1	28.7
Other countries	7.0	9.4	9.2
Total	19.7	36.5	37.9

From an export standpoint, the prime significance of this concentration of exchange improvement is that it has taken place in our major commercial foreign markets. Balance of payments difficulties have virtually disappeared and many currencies are in effect convertible for trade purposes. Exchange-wise, a buyer's market exists; this means tougher competition but also greater sales potential.

The underdeveloped areas of the world are numerically the largest by far—whether one counts countries, people, or square miles. They have food and fiber "requirements," but generally very limited wherewithal to purchase; and their climb toward self-support and higher living standards through economic development programs is a slow uphill process. Though some of the countries are small but valued dollar markets, Public Law 480 and other U.S. Government programs must remain the principal means of financing American farm exports to these areas. Since this financing clearly has limits, the continuing aim must be a gradual shifting of trade to the dollar payment basis wherever this is feasible. As 1961 began, the improved financial position of a number of underdeveloped countries offered hope for modest progress toward this objective.

"Farmers of India" A Noteworthy Study

To the outsider India is a baffling country. With an area of 1.2 million square miles, 400 million inhabitants, and a terrain that stretches from the peaks of the Himalayas to the tropical lands of the Indian Ocean, the subcontinent is so heterogenous that the Indians themselves admit that it is exceedingly difficult to formulate a cohesive picture of the country. Yet despite all this, India does have a basic unity which springs largely from the agricultural character of the country. Even today, when industrialization is progressing rapidly and a large-scale migration from rural areas to cities is taking place, 82 percent of the population lives in villages and most of these villagers depend on the land.

To understand India therefore one must study its village life and this the Indian Council of Agricultural Research has set out to do. Under the title "Farmers of India," the Council is publishing a series of books telling the story of rural life in different States as shaped by history, geography, climate, and religion. The first of these dealing with India's three northern States, Punjab, Himachal Pradesh, and Jammu and Kashmir, is already off the press. Its author is M. S. Randhawa, the Council's vice-president, and if the pattern that he has established for this first volume is adhered to throughout the series, these studies should be of immense value to the Indian Government, and, in fact, to anyone whose work or interests are linked to India.

"The plough is still the symbol of life of this great mass of humanity," writes India's Minister for Agriculture, Punjabrao Deshmukh, in the foreword. "The gods that are worshipped and the rituals with which they are honored belong to the soil."

To call "Farmers of India" a reference book is doing it an injustice, for it is written in that lucid expressive English so characteristic of Indian writers. Yet it is a reference work in the same way that an encyclopedia is one. Also, the material concerning each State is organized in an encyclopedic manner under such headings as climate, geology, soils, crops, agricultural practices, and so forth. What you learn is where the people came from, how they farm, what they eat and wear, how their villages are organized, and something of their religion and their folklore. Since this particular volume is concerned mainly with the India that fringes on the Himalayas including one of earth's paradises, the Valley of Kashmir, it is both fascinating and informative.

As important as the text are the excellent photographs taken by the gifted Indian photographer, Hari Krishan Gorkha. His panoramas and his village scenes are extremely good, but where he captures the reader is with his sympathetic pictures of India's rural people, the Kulu shepherd with his new-born lambs, the Lahaul woman with her looped earrings, the minstrels, the farmers, and the ever-appealing dark-eyed children.

"Farmers of India." Published by the Indian Council of Agricultural Research, New Delhi. 303 pages. About $3.00.

Why the U.S. Poultry Industry
is concerned about its overseas markets

By Walter K. Davis
Dairy and Poultry Division
Foreign Agricultural Service

For 1960, U.S. poultry meat production is estimated at an alltime high of about 6.6 billion pounds, and it is expected to go even higher. As a rule, U.S. consumers take about 97 percent of the output, the other 3 percent moving mostly overseas. But these overseas markets mean more to the U.S. poultry industry than the percentage figures would indicate. This year, for example, the 3-percent surplus adds up to 200 million pounds —enough to create serious price problems if it had all been thrown on the domestic market.

All this leads to the question, What is the outlook for the industry? Can it, as in the past 5 years, move most of its excess output to foreign markets? The answers lie partly in the industry's own efforts, partly in the agricultural and trade policies being hammered out in the Common Market area of Western Europe, where the biggest U.S. poultry markets are, and partly in technical progress by the poultry industries of the Common Market countries themselves.

A brief backward look at production and consumption trends will show why the U.S. industry has been interested in creating and maintaining export markets for its surplus. In recent years, except for 1960, producer prices have been moving downward; and for greater economy and efficiency, the industry—especially its broiler and turkey production units—has turned toward large-scale, highly mechanized operations. With profits based on large volume, producers' margins are low, and they are particularly sensitive to further price declines. At the same time, so efficient have their operations become that total poultry meat production has climbed about 10 percent annually in recent years. It is still climbing, though now at around 4 per cent a year.

A poultry-barbecuing demonstration draws fascinated onlookers at U.S. exhibit during international hotel and restaurant trade fair "Guest and Host," The Hague, 1960.

U.S. consumers, welcoming the lower prices and the year-round supplies of quality products, have stepped up their buying from 25.5 pounds per capita in 1955 to an alltime high of some 35 pounds in 1960. Yet even this enormous market has not quite absorbed the production. Future consumption increases will probably be much more gradual, only slightly above the rate of population growth.

Export Trends. So far, the industry's active marketing efforts have paid off handsomely in new overseas markets for U.S. poultry. In the past 5 years, exports have increased at a phenomenal rate, from 25 million pounds in 1955 to more than 120 million in 1959. Before the uptrend began, these exports went largely to other North American countries, Canada in particular. By 1959, under the pressure of expanded domestic production and decreased prices, Canada had cut its imports drastically from the 24.8 million pounds of 1956 to 10.5 million. This decline was cushioned, however, by a West European increase to 79.6 million, or 66 percent of the total. This increase and the rapid acceptance of eviscerated frozen poultry by West European housewives surprised most European importers, but not U.S. exporters. They had witnessed the same quick popularity at home.

During the first 9 months of 1960, total U.S. poultry meat exports ran well ahead of those in the comparable period the year before. Present indications are that for the full year they may have been about 180 million pounds. Exports to Western Europe increased still further during this period and for the whole year may have equaled the 120-million-pound total for all countries in 1959.

West Germany and the Netherlands accounted for 1960's big increase in exports to the Continent. Shipments to Switzerland declined slightly; however, that decline was balanced by greatly expanded shipments of canned poultry to the United Kingdom as a result of liberalization in November 1959. In prior years, the United Kingdom had admitted only token amounts, and it still does not permit imports of uncooked poultry meat from the United States.

Exports to Canada, where domestic supplies are now more in line with demand, have also shown substantial improvement over last year. Shipments in the first 9 months of 1960 were more than double those for the comparable 1959 period.

Export Outlook. It seems doubtful that these rates of increase can be maintained. In appraising the future for exports, the foremost factor to be considered is the development of the Common Market and of its import policies regarding poultry. Will the area's import restrictions be prohibitive, to encourage the development of its own poultry industry? Or will these restrictions allow imports to continue on a more competitive basis until local production expands to meet more of the demand? The answer may not be clear for some time.

There are indications that Common Market countries will make substantial efforts to increase poultry production. Some proposals, if adopted, would almost exclude U.S. poultry from the Common Market area. This would eliminate West Germany, at present by far the largest single market in Western Europe for U.S. poultry; it would also affect the Netherlands, which has recently made a sharp increase in its poultry imports from the United States.

It appears doubtful, however, that the area's own poultry industry can expand fast enough to meet even the present demand. Even if production is protected by excluding U.S. poultry, the price of expansion might be one that consumers would be either unable or unwilling to pay—that is, the local product might be much costlier. In that case, consumers would probably shift to other forms of meat. Thus, in the long run, the Common Market's poultry producers would probably be worse off than if a gradual approach had been taken.

On the other hand, if importers are allowed to continue supplying the present demand and to work for its expansion, the larger market will already be established by the time domestic production increases. The larger output could then readily be absorbed at prices consumers are willing to pay. Such a course would avoid setting a precedent that might encouraged other agricultural producers within the Common Market to expand production rapidly—and perhaps on an uneconomic basis—under the umbrella of a highly protectionist policy.

Most observers agree, however, that there will be increasing competition for the U.S. poultry industry from other producing countries. Therefore, U.S. producers might be well advised to plan production on the basis of present domestic and foreign needs. Some exceptions should be made, of course, for U.S. population growth and slight increases in per capita consumption at home. But U.S. producers should consider carefully before committing themselves to any expansion that is based on the continued growth of exports at recent rates. Only after import policies within the Common Market are more clearly defined and established can the U.S. poultry industry do any long-range planning for exports to that area.

Exporters' Tasks. Today and tomorrow, U.S. exporters should do everything possible to enhance the position of U.S. poultry in foreign markets. Not only will this help expand those markets, but when competition increases, a consumer who has previously been satisfied will be more likely to think of U.S. poultry when he comes to make further purchases.

The poultry industry's International Trade Development Committee,[1] through the Institute of American Poultry Industries with its regional office in Frankfurt, Germany, works with European importers, wholesalers, and retailers to promote sales and consumption of U.S. poultry. This effort is being intensified in an attempt to both solidify and increase the U.S. share of the European market. Most activity at present is in West Germany, Switzerland, and the Netherlands, with some in Italy and Spain.

This promotion work could be of greater value if every exporter recognized his individual responsibility to the industry. He should point out to foreign buyers that markedly lower price offers for the same product may mean lower grade and quality. Not all foreign buyers are familiar with U.S. grades or aware that our government does not control export grades or quality. Buyers who purchase simply on a price basis may be dissatisfied upon delivery. This could discourage future purchases.

In many countries, the existence of export control regulations assures buyers that they will receive a product of uniform quality and grade. These regulations may be supervised by either industry or government; it makes little difference which, so long as uniformity results and exporters cease to operate under the old axiom "Let the buyer beware."

In the summer of 1960, after a market survey in Western Europe, a representative of the U.S. poultry industry came home with these eight recommendations for holding and expanding the U.S. share of this market:

- Send a more uniform pack.
- Ship no "B" and "C" grades.
- Use packaging methods that meet export trade standards.
- Stencil the package accurately and understandably, in the proper weight unit and language.
- Keep the customer fully informed on shipments at all times.
- Maintain better liaison with private trade representatives abroad.
- Step up industry support of such organizations as the International Trade Development Committee.
- Continue to extend to the European markets the kinds of consumer publicity and aids to trade and merchandising that are carried on in the domestic market.

To these might be added "Ship smaller packages," for the European consumer seems to prefer a smaller bird—in particular, a broiler or fryer.

Despite some uncertainties, the outlook for the U.S. poultry industry is bright. Continued efforts by the industry to increase its efficiency in production, processing, and marketing should prove fruitful both to U.S. producers themselves and to their customers here and in other countries.

[1] This committee consists of the American Poultry and Hatchery Federation, the Arkansas Poultry Federation, the Delmarva Poultry Industries, Inc., the National Broiler Council, the National Turkey Federation, the Poultry and Egg National Board, and the Southeastern Poultry and Egg Association, as well as the Institute of American Poultry Industries and some private firms.

Rotterdam: A World Trade Center supplies U.S. poultry to markets around the globe

On a Rotterdam quay, Dutch Customs Officer Deuze inspects frozen U.S. poultry, as L. v.d. Velden of the U.S. industry looks on with Assistant Attaché Gorman.

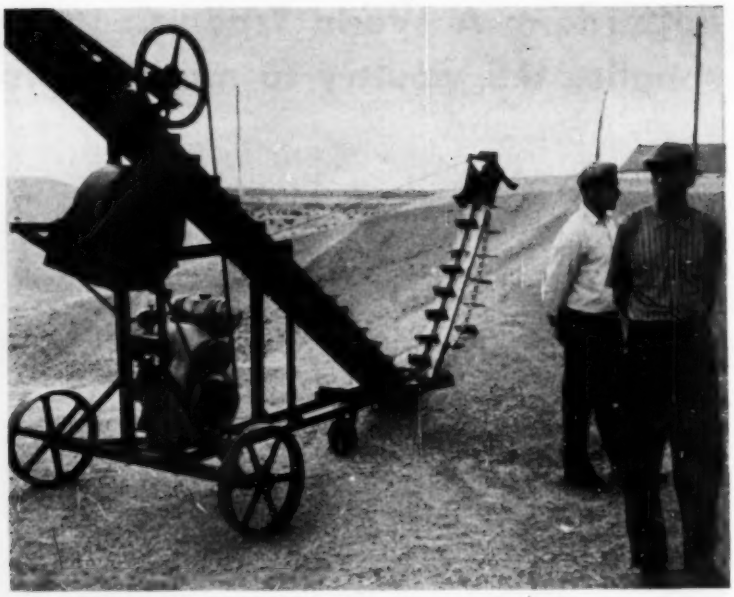
At right, Mr. v.d. Velden and Mr. Gorman watch U.S. turkeys go on board a Dutch ship; below, they kibitz as Chefs Mink and Oranje begin preparing U.S. chickens for passengers' meal.

Photos courtesy Inst. Amer. Poultry Industries

On any given day of the year, more than 10,000 pounds of U.S. broilers, turkeys, and fowl enters the free port of Rotterdam, marine gateway to half the world. But this is only a pause in the poultry's journey. Within a week, some of it is on display in the 10,000 freezer cabinets (mostly new ones) of the Dutch retailers; some of it is floating toward Germany and Switzerland on the little flat barges of the Rhine; and some of it has gone to sea again, headed for the far-flung world markets the Dutch built up by their hundreds of years as traders. The merchants of the Netherlands are true partners of the American poultry industry.

Of the poultry that goes back to sea, some is destined for the dinners of crews and passengers. About 350,000 pounds of U.S. poultry a year are sold in Rotterdam to ships' chandlers, to provision the 24,000 ocean-going vessels that pass through this second largest marine shipping center in the world. And the boom now going on in the great port's activities may well mean that in 3 or 4 years these shore-to-ship transactions will climb to more than a million pounds a year.

Grain loader on Stalin Collective Farm, near Odessa. Soviet equipment is quite similar to that in the U.S.



Every truckload of grain coming in from the farms is vacuum-sampled and the driver is given orders for binning and dumping.

How the Soviet Union Markets Grain

By V. John Brensike
Agricultural Marketing Service

Last summer it was my good fortune to head up a group[1] of grain marketing specialists on a month's trip to the Soviet Union. Our job was to study grain production, handling, and storage as well as processing operations and research as they relate to wheat and flour. But we found it exceedingly difficult to analyze an industry operating in a country so different from ours.

No visit of 28 days can make anyone a specialist in even one aspect of grain marketing in a country as large as the Soviet Union. And being transplanted rather quickly into an economy where all major means of production are owned and operated by the government requires quite an adjustment, especially for an economist. Also, while our team felt that we had been given a well-organized and complete tour of our area of interest, it is possible that we were not shown a truly representative picture. Actually, during our tour we were told about many other comparable or even improved facilities in other parts of the country.

We visited a total of 3 elevators and 7 milling combines located in areas as separated as Leningrad in the north, Moscow in the central part of European Russia, Kiev and Odessa in the Ukraine, Novorossisk, Krasnodar, and Sochi in the northern Caucuses, and Kustanai in the "New Lands" of Asia. We talked with representatives of 9 Republic, krai, and oblast Grain and Grain Production Committees and visited 7 schools and research institutions, 2 collective farms, and 1 state farm.

We found that the leads and lags in Soviet industries are the result of the country's national and international policies as reflected in its various 5- and 7-year plans. This was true within the grain marketing industry. Grain handling, storage, and flour milling are quite comparable to our own, while animal nutrition, feed formulation, and transportation, from all that we observed, seem to lag.

Grain Marketing. Grain marketed for flour production or for export first moves into an assembling elevator and is purchased by the State Grain and Grain Products Committee. This movement is by truck, and the lack of sufficient trucks was reported in some areas. The assembling elevator operates much as our elevators do. It receives, grades, cleans, dries, stores temporarily, and ships the grain. It also pays the collective and state farms according to prices established prior to marketing. These prices provide premiums and discounts for moisture, and in some parts of the country they vary 2 to 3 rubles from the 60-ruble-per-centner price for wheat frequently mentioned.

If the assembling elevator has a railroad or adjacent waterway, this collection-point elevator ships on the order of the Grain and Grain Products Committee. These orders are given 1 month before shipment. But if the elevator has neither of these transport facilities, it ships to a transshipment elevator for later shipment

[1] Other members of the team were John C. Cowan, Assistant to the President, Dannen Mills, Inc.; Roy C. Durham, Technical Consultant to the Flour Milling Industry; Dr. Lawrence Zeleny and Leo E. Holman, Agricultural Marketing Service; Eugene T. Olson and Raymond E. Vickery, Foreign Agricultural Service.

to the export or milling combine. None of the elevators visited stores grain for more than a year, so the grain carried over from one year to another was only the normal working stocks. This does not mean that the Soviet Union currently has no carryover. There are some intermediate elevators which may carry over stocks.

Grain marketed for feed and seed does not move through these same channels. Most feed crops are used on the farm where they are produced, and what moves off is usually handled much like a custom feed milling operation in this country; i.e., it is shipped to a feed mill for grinding and mixing with a few other ingredients and is returned to the farm as a mixed feed.

Seed marketing is much more complicated. If the corn seed is hybrid, it moves directly from the special farm producing it to a corn processing plant for drying, selecting, and calibrating (to assure 2 kernels per hill) before being distributed for use by the Grain and Grain Products Committees. Most wheat seed for established varieties, which the Russians call *sortoviye*, is taken from a crop and used on the same farm, except that after 4 years it must be replaced by *elite* seed to restore the trueness to type. Elite seed, which is also used to establish new varieties, is produced on special farms and sold at three times the price of commercial wheat; and it moves from the producing farm to the Grain and Grain Products Committees for final distribution.

The geographic sources of the government portion of the grain crops are difficult to determine on the basis of a single trip because they vary from year to year as crop size varies in the supply areas. In 1956-57, for example, much of the Leningrad wheat receipts came from the New Lands. In the years since then little has come from this area. Currently, wheat from the New Lands appears to move toward the central European part of the Soviet Union except that scheduled for export.

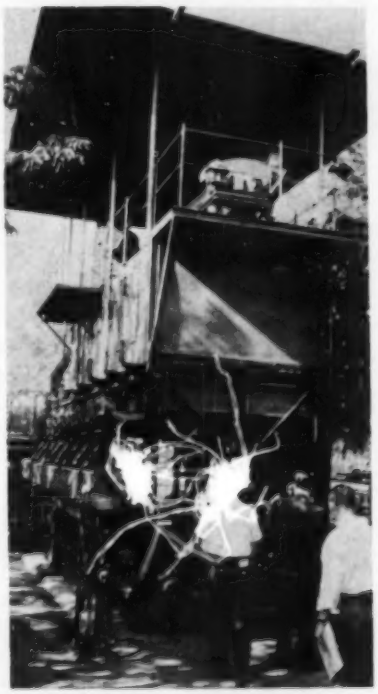
Grain Production. If we exclude the fact that they check row corn and use somewhat less fertilizer, herbicide, and insecticide than we do, Soviet grain production practices are quite similar to ours. In their efforts to increase yields, they expect to increase their use of fertilizer, herbicide, and insecticide, but right now they are emphasizing the use of better producing varieties. We visited a number of research institutes which are doing a fine job in this field.

Soviet harvesting equipment is quite similar to U.S. equipment—in fact, it seems to be patterned after ours. But in harvesting they cut and windrow their winter wheat before combining, cut grain lower, and use more straw for feed and paper. Also, horses and wagons are often used to haul much of the grain back to the farm. There it is piled on the ground before it is cleaned and trucked to the elevator.

Storage and Milling. The assembling elevators we visited have a storage capacity ranging from 50,000 long tons to 150,000. Both bin and flat storage were used. Elevator storage at milling combines and port elevators ranged from 24,000 tons to 150,000—all silo storage. Turnover rates vary from 5 to 16 times a year. A shortage of elevator storage is a major problem, especially in the New Lands area. The USSR's 7-year plan calls for an increase of about one-fourth in elevator storage by 1965, most of it to occur in the New Lands of the Kazakh and Ural regions.

We found Soviet elevator operations quite similar to ours in layout, flow, and equipment, but in other respects the industry differed. Not only was much of the wheat cleaned on the farm, but cleaning equipment at each of the elevators and mills was designed to clean—and did clean—a much large proportion of the total receipts. Likewise, the drying capacity at each location was designed to handle a much larger share than our industry handles. Both differences were partially the result of the harvested wheat containing more moisture and foreign material than we obtain from our harvest. It should be remembered, however, that the Russians claim that they emphasize the use and export of clean wheat—0.2 to 0.5 percent foreign material for both export and milling. And even though

Odessa Milling Combine showing headhouse and silo storage. Mills have a big capacity for cleaning and drying.



New design of a compact feed-mixing unit at Moscow's permanent economic exhibit, for installation on state farms.

it is cleaned for the "nth" time in their own elevator, the mills have equipment for cleaning the wheat again before milling, and they claim they often do it.

There are other major differences. The Soviets have pushed automation further, especially in the milling and export elevators, than we have. They have dust-collection attachments on every item of machinery handling grain and report no dust explosions or fire in any of their mills. And they have a vacuum-type sampler attached to a divider located just inside the building. Here the grain coming in from farms gets preliminary testing by four or five women, who within 3 minutes give the truck driver a receipt and a card with dumping and binning instructions.

Minor differences include a drier using the same principles as ours but with some reported advantages; bucket elevator legs with a different type of bucket and a reported higher speed; a pneumatic system with smaller pipes and more power, which is used at longer distances. The Russians also report a greater flour output per linear inch of roller surface than we obtain in the United States, but after putting the data on a comparable basis, our flour milling expert indicated that the difference was small.

Thus far my comments on differences have been concerned with what the Soviets claim to be improvements over U.S. methods. This is to be expected, since the equipment the Soviets use appears to be based on U.S. and German machinery. But they have no facilities using air classification or turbo or impact milling, although they say they are following the progress that is being made.

Much Soviet flour is based on a single type of wheat. One of the mills reported blending 15 percent durum with spring wheat; another blended spring and winter wheat flour, the proportions depending somewhat on supply—50-50 at the time of our visit. Likewise, while pneumatic handling was present in the flour milling industry, it was not carried through to the bakeries but stopped at the mill, with most of the flour delivered in bags. Vitamins are not added to flour, although the Russians plan to add them in 1961. The flour milling capacity is not expected to increase very much.

GROWTH IN SOVIET FLOUR MILLING CAPACITY [1]

Year	Total	Graded
	Million long tons	*Million long tons*
1913	7.7	——
1940	18.3	8.4
1953	18.0	9.9
1959	23.9	16.2
1965	24.8	17.1

[1] Large mills only. Excludes production at farm mills, etc.

Feed Mixing. The Soviet feed milling and animal nutrition industry does not measure up to ours. The lag is in nutrition and transportation rather than in technical equipment and plant design. In the past, feed milling for the most part was located adjacent to the flour mills and was tied to the flour mill byproducts. While additional mills, both large and small, have been located nearer the feed demand, two farms we visited reported that all mixed feeds came to them from 1,000 miles away and that they also shipped grain to these mills for custom grinding and mixing.

We were informed that there are about 60 large and more than 2,000 small feed mills in the Soviet Union. Specific formulas are recommended but the availability of local ingredients actually dictates the final formulas. All feed mills, large or small, mix all formulas from the ground up, with little or no supplementation of local ingredients. We were told that they have been adding antibiotics, vitamins, and minerals (no hormones) for 18 months to 2 years. But the formulas we saw for the Krasnodar Krai, as well as in books and at the Peoples Exhibit for Economic Achievements in Moscow, showed the addition of only salt and chalk.

Batch mixing is not common. Line mixing is used not only in the large mills but in the compact stationary unit the Soviets plan to install on each state and collective farm.

Beef, dairy, and poultry production are scheduled to increase rapidly, and this means a concerted push for the formula feeds industry. As a result, we can expect that within about 5 years the Soviets will be adding antibiotics, vitamins, and minerals to many feeds and will have coordination among large and small mills to reduce transportation, to supplement local ingredients, and to fortify complete feeds.

Exports. We could get little information on the utilization of wheat, corn, or the other grains except that some wheat is now used in feeds and that about 4 percent of the grains are exported. Soviet national goals indicate a reduction in per capita grain consumption and an increase in the consumption of meat, eggs, and dairy products. This could result in considerably increased exports of wheat because of the large production increase planned for wheat. However, some Soviet wheat experts indicated that the wheat production increase was requested primarily because of population increase, desire for a planned carryover, and feed needs to meet poultry and livestock goals.

The Export Khleb, the state export corporation that is responsible for all export sales, purports to sell the quantities it is told to export at the world market price for that type and variety of wheat. Whether or not this results in a profit or a loss seems to make no difference once it has been decided that the sale should be made. Wheat exports from the Soviet Union have nearly doubled during the past 3 years as compared with the previous 3-year average. Their potential to export, however, will increase considerably, and should political demands dictate it, the Soviet Union could export enough wheat to cause major adjustments in international markets.

GROWTH IN SOVIET STORAGE CAPACITY

Year	USSR	Kazakh	Ural	Other
	Million long tons	*Million long tons*	*Million long tons*	*Million long tons*
1913	4.1	——	——	4.1
1940	35.7	1.3	7.2	27.2
1953	62.5	2.8	13.4	46.3
1959	80.1	2.8	20.2	57.1
1965	105.3	17.8	26.5	61.0

United States Is World's Second Largest Agricultural Importer

The United States is second only to the United Kingdom as the world's leading importer of farm products and in recent years has taken about one-sixth of the world's farm imports. More than half of the coffee moving in world trade channels is shipped to the United States, over two-fifths of the bananas, nearly a third of the cocoa beans, a fourth of the cane sugar, more than a fourth of the crude natural rubber, and about one-tenth each of the wool, tobacco, and tea.

These farm imports, which are so essential to the American way of life, fall into two groups: Supplementary and complementary. About half of the farm products we buy are supplementary, i.e., products similar to or interchangeable with those grown in the United States but often not in sufficient quantities to meet domestic demand. The most important of these are apparel wool, cane sugar, cattle, cheese, cotton, grains, meats, nuts, oilbearing materials, sheep and lamb skins, tobacco, fruits, and vegetables —the last two during the winter and early spring months when domestic output is at a low level.

Complementary imports are products not produced commercially in this country and which, if not imported, would not be available for consumption. The leaders on this list are coffee, bananas, cocoa beans, tea, carpet wool, cordage fiber, crude natural rubber, silk, and spices.

The United States imports agricultural commodities from more than 125 countries, although the bulk comes from relatively few. In fiscal year 1960, 10 countries accounted for three-fifths of all U.S. agricultural imports, namely, Brazil, Cuba, Colombia, the Philippines, Mexico, Canada, Indonesia, New Zealand, Australia, and the Federation of Malaya. Each of these countries sent the United States more than $100 million worth of agricultural commodities. Brazil, the leading supplier, did $532 million worth of business here in 1960.

There is a reciprocal aspect to this trade. All the leading suppliers of farm products to the United States also buy some farm products from this country. In 1959, the United States supplied 51 percent of Canada's agricultural imports. The U.S. share in the import market of India was 60 percent, Japan 23 percent, the Netherlands 24 percent, Belgium-Luxembourg 16 percent, West Germany 12 percent, the United Kingdom 9 percent, Italy 8 percent.

Despite the importance of farm imports to the United States, the volume has remained relatively stable during the past 35 years. Measured in constant dollars (at average 1952-54 prices), they averaged $4.1 billion in 1955-59 compared with $4.0 billion in 1925-29, representing a quantity increase of only 2 percent. But in this same period, the actual value, reflecting rising world prices, increased by 77 percent, from an average of $2.2 billion to $3.9 billion. Meanwhile, between 1925 and 1960, the population in the United States increased by 55 percent.

Within this stable volume of imports, supplementary and complementary imports have fluctuated. During most of the 1950's two-fifths were supplementary and three-fifths complementary, but for the past 3 years farm imports have been about equal in the two groups.

The rise in supplementary imports in 1958 and 1959 reflected larger meat and livestock imports, but in 1960 they declined, lowering the supplementary import level. Supplementary imports can be regulated by legislative action under cetain conditions. Whenever imports materially interfere with the marketing quotas, with price supports, or with other programs conducted by the U.S. Department of Agriculture, the law provides for regulation of such imports by quota and/or import fee, under Section 22 of the Agricultural Adjustment Act. At the present time commodities controlled in this manner are wheat and

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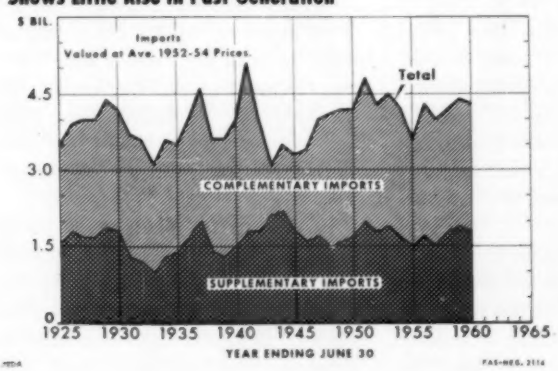
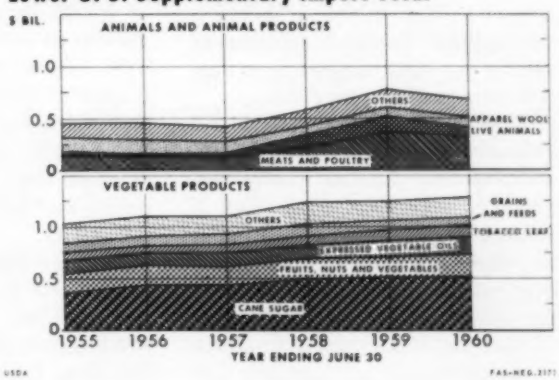
This article was prepared in the Trade Statistics Branch, Trade Policy Division, Foreign Agricultural Service.

Volume of U. S. Agricultural Imports Shows Little Rise in Past Generation



Smaller Purchases of Meats and Live Animals Lower U. S. Supplementary Import Total



certain dairy products, rye, rye flour and rye meal, flaxseed and linseed oil, peanuts and peanut oil, tung nuts and tung oil. Sugar imports are regulated by quotas under the 1948 Sugar Act.

Complementary imports have declined in value rather steadily since 1956 because of lower coffee prices—though they did rise slightly in 1960. And the volume has been held down because domestically produced industrial materials have partially replaced imports of rubber, silk, and wool. Smaller imports of these commodities have about offset the increase resulting from larger imports of coffee, cocoa beans, tea, and bananas—the commodities that normally make up about 75 percent of the value of our complementary imports.

Special Export Programs

(Continued from page 8)

emphasis is being given to the negotiation of agreements on a multi-year basis. This practice does two things: first, it prevents interruption in supply lines which sometimes occur in annual programs; and, second, it permits better coordination of import programs with the underdeveloped countries' own development programs which frequently involve 4- or 5-year plans. The outstanding example of such programing was the 4-year agreement with India made in 1960 providing for the shipment of 600 million bushels of wheat and 22 million bags of rice.

Our special export programs have been going through a process of evolution from the time they were initiated in 1954 right up to the present. It has been a healthy process; the programs have gained in effectiveness. But there are possibilities of making our special export operations still more usable in the future.

The building of reserves owned and controlled by the recipient country, the encouragement of mass feeding programs for vulnerable groups, such as school children, the use of feed grains to support livestock production for home consumption—these are all good possibilities, and, I might add, they all have limitations. Also, some areas of the world are not getting a very big volume of our agricultural commodities, and this is a matter that merits further exploration.

ICA Approach. The International Cooperation Administration is making use of agricultural commodities to assist unemployed and underemployed people to work on labor-intensive projects. This use of surpluses is undertaken under the new provisions of Title II, Public Law 480, which authorizes the use of commodities for economic development programs in addition to what can be accomplished under Title I of the law.

What ICA is trying to do is develop programs whereby the cost of labor would be paid for in part with agricultural commodities donated by the United States and partly with supplementary cash wages furnished by cooperating countries. Cooperating countries would also furnish tools and materials and supervise the projects. I have been in many countries where people want to work and where road building, canal digging, and land clearance are so obviously needed that I believe this approach will be useful.

The U. N. Resolution. A United Nations approach to the utilization of surpluses has been in the news lately. Recently, acting on a resolution sponsored by the United States and several other governments, the United Nations General Assembly passed a resolution which primarily does two things. First, it calls on the Food and Agriculture Organization (FAO) to consider immediately methods by which present programs for moving surplus foods could be improved, with particular attention to provisions for consultation and the dissemination of information. Secondly, it calls on the FAO to study in cooperation with several other groups what new techniques could be developed to add to the useful disposition of surpluses. The UN itself in its Economic and Social Council will be considering the way that surpluses can be used to support economic development.

There are other features in the resolution, but I think the two mentioned above are the most important. The UN approach is especially interesting because for many years there have been arguments as to whether international agencies should be brought more directly into program operations. It seems to me that the UN action provides for international study of the existing mechanisms, which means largely the United States' Public Law 480 program and the international development of new programs which would supplement rather than replace existing programs. However, I am not trying to predict where this effort will lead. One of the obvious actions possible is UN sponsorship of food programs in those countries where individual national action is not feasible.

U.S. Buys More Papain To Tenderize Meat

In the last few years, meat tenderizers have been more widely used by U.S. housewives than ever before. The most important component of these tenderizers is an enzyme with powerful digestive properties called papain. Papain is found in the latex present in most parts of the papaya plant. It is generally extracted from the unripened fruit by scratching from the surface and letting the latex ooze into a container. Between 1956 and 1959, U.S. imports of papain rose 53 percent and they now amount to over a million dollars a year.

Although the primary commercial use of papain is in meat tenderizers, in recent years it has been used successfully to chillproof beer, render fats, dehair hides, degum silk, treat wool to prevent shrinkage, and coagulate raw rubber latex.

Papayas, like quinine and rubber, are one of a group of strictly American plants which have traveled to the far corners of the earth. The plant is thought to have originated in the West Indies or Mexico, but is now at home in both the Eastern and Western Hemispheres, having reached India by 1600. In recent years, most U.S. papain supplies have come from Ceylon, Belgian Congo, and British East Africa.

Papayas are large herbaceous plants that grow easily from seed, mature in a year or less, and produce up to 100 pounds of melonlike fruit a year. The plant's medicinal and tenderizing properties have long been known.

TRADING POST

New Zealand Adds More Meat Boats to U.S. Run

A new monthly refrigerated freight service between New Zealand, Hawaii, and the West Coast of the United States began operating last month to facilitate meat shipments from New Zealand. While the new service adds only two more boats to the 27 now making deliveries to the United States, it offers two advantages—the first regularly scheduled sailings and freight rates 10 percent below those currently in effect.

New Zealand ranks next to Australia as a leading supplier of meat imports to the United States, its shipments in recent years amounting to around $60 million. This new service may boost New Zealand's meat exports to this country but not sufficiently to edge Australia out of first place. Frozen boneless beef and frozen lamb cuts are the two principal items shipped.

Colombia Barters Coffee And Cotton for Vehicles

Colombia bartered $5.1 million worth of coffee and cotton for vehicles in the first 9 months of last year, according to a report in *Noticias,* a publication of the country's foreign trade council. West Germany, Japan, and the United Kingdom supplied the vehicles.

While the report did not indicate how the deal was divided, FAS sources estimate that through last July, Colombia had shipped 59,000 bales of cotton, probably most of it under this arrangement. Colombia has never had a cotton surplus before, so that this is the first cotton exported. Of the three countries receiving it, Japan is the United States' biggest cotton customer, while West Germany and the United Kingdom alternate with France and Italy for third and fourth place.

France Establishes New Marketing Fund

The French Government has created a new agricultural stabilization fund to replace several of its separate funds for individual farm commodities. Within this central fund sections are to be set up to deal with marketing problems of meat, milk and dairy products, poultry, fruit and vegetables, potatoes, and wine, brandy and spirits.

The decree also provides for a committee to operate the fund and to advise the government on domestic marketing, foreign trade, and support prices for agricultural products. The new organization will be known as "FORMA," which means the Fund for Orientation and Regularization of Agricultural Markets.

Japan May Buy More Pulses From the U.S.

Late in 1960 Japan announced an allocation of $2.6 million worth of foreign exchange to import 650,000 bags of beans, peas, and other pulses, and another allocation is expected early this year to permit the importation of an additional 1 million bags.

The question is—where will Japan, one of the world's largest importers of pulses, find supplies? Normally Communist China is the source of more than half of Japan's imported pulses, but in August 1959 the Sino-Japanese barter agreement ended, although shipments contracted for continued until September of last year. Burma, another important source, is already supplying nearly all that it can, and besides Burma does not produce in quantity the Adzuki beans and broad beans that Japan ordinarily buys from China.

This leaves Iran, Africa, and the United States as the most probable sources. Japan has a barter arrangement with Iran for importing broad beans but to meet Japan's needs Iran would have to export its entire production. Several African countries produce pulses for export, some of them low-priced. The United States is already supplying some of Japan's needs (in the first 8 months of 1960 over 63,000 bags of beans were shipped), and could continue to do so provided the higher U.S. prices do not prove a deterrent.

South American Pork To Be Banned in U.K.

Serious outbreaks of foot-and-mouth disease in the United Kingdom have caused that country to ban imports of pork and pork variety meats from Argentina, Chile, Uruguay, and Brazil. U.K. officials in announcing the ban stated that "evidence of the danger of foot-and-mouth disease virus being imported with pork and pork offal from these countries is now too strong to be ignored" and that they were imposing the ban "despite their reluctance to restrict the traditional meat trade with South America." Actually, only Argentina is involved, since shipments from Uruguay and Brazil are insignificant and Chile does not export either pork or pork products.

In recent years, the United Kingdom has been importing from Argentina around 10 million pounds of pork and pork variety meats annually. The ban, which becomes effective February 1, may force Argentina to seek outlets in other European countries that are now big markets for U.S. variety meats products. There is no chance of U.S. pork exports filling the gap in the U.K. market because of the country's sanitary controls for hog cholera.

Northern Ireland Ships Its First Pork to U.S.

Northern Ireland, which normally sells its pork surplus to the United Kingdom, recently made its first pork shipment to the United States—16,000 pounds of hams and spareribs. The hams were all from Ulster pigs and the cuts were American style. Irish producers are interested in the U.S. market because of the higher prices that they get for their products.

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Japan Buying More Tobacco Products

Up until a few months ago imported tobacco products could be bought in Japan in only a few places such as department stores, tourist hotels, and airports. Today there are some 1,000 retail outlets where a smoker can buy imported cigars, cigarettes, and pipe tobacco.

This opening-up of Japan's retail outlets to imported tobacco products resulted from a decision by the Japan Monopoly Corporation to authorize nearly $1 million for purchases abroad. About 85 percent of that sum reportedly will be spent in the United States, and the rest in the United Kingdom, West Germany, and Cuba. The authorization ends on March 31 of this year.

No More Canned Hams To Enter Venezuela

Venezuela will no longer issue import licenses for canned hams, since the government considers the domestic canning industry now able to supply the country's needs.

The United States exported close to 200,000 pounds of canned hams to Venezuela in 1957-58; then in 1959, exports fell to 170,000 pounds, and last year to around 75,000 pounds. However, U.S. shipments of fresh and frozen unprocessed hams have been rising sharply and will probably total about 430,000 pounds for 1960. They should continue high for the next few years until Venezuela's hog production fully meets domestic needs, and after that they will probably fall to insignificant levels.

More Competition Ahead For U.S. Canned Fruits

The U.S. canned fruit industry faces greater competition in the United Kingdom market because of an estimated 600,000-case increase in South Africa's 1960 fruit pack. This increase was largely in canned peaches and pears; apricots, fruit salad, and pineapple showed reductions.

The United Kingdom is the leading canned fruit market for the Union of South Africa and the second largest for the United States—Canada is first. However, South African fruit receives preferential Commonwealth treatment while U.S. products do not. Also, there are restrictions on how much U.S. canned fruit may be purchased.

Bigger Hog Slaughter Expected This Year

Total world hog slaughter is expected to rise 2 percent this year, with most of the increase taking place in Europe. West Germany, France, Denmark, and Yugoslavia will probably show the greatest increase, but a slight rise is also expected in the United Kingdom.

This relatively large pork production in Europe will tend to reduce U.S. exports of lard and pork variety meats to that area. The United Kingdom takes more than half of U.S. lard shipments. West Germany and the Netherlands are leading customers for both U.S. lard and pork variety meats, and France is an important buyer of the latter.

More Burmese Rice Going to Pakistan

The Government of Pakistan has concluded an agreement with Burma to import a record 300,000 long tons of rice in 1961. Shipments will be at the rate of 40,000 tons a month during the first quarter of the year and 25,000 tons a month thereafter until the total amount is reached.